

BILL # SB 1458

TITLE: state parks; residents; fees

SPONSOR: Gould

STATUS: As Introduced

PREPARED BY: Art Smith

FISCAL ANALYSIS

Description

The bill requires that the State Parks Board (SPB) charge state residents an annual pass fee that is 20% below the fee charged to nonresidents.

Estimated Impact

The fiscal impact of the bill will depend on whether SPB responds to the bill by reducing fees for residents or raising them for non-residents. If SPB reduces resident fees, the bill would result in an estimated State Parks Enhancement Fund (SPEF) revenue loss \$103,500 in FY 2009. If SPB increases its non-resident fees, the bill would result in additional SPEF revenues of \$32,200.

Both estimates assume that FY 2009 SPB attendance remain at FY 2007 levels and that there would be no corresponding increase in resident demand for lowering the current fees by 20%. Conversely, the estimated impact for raising current fees by 20% does not account for decreased demand from non-residents.

SPB states that it has not decided on whether it would implement the bill with a residential rate decrease or a non-residential rate increase. SPB has not provided a cost estimate.

Analysis

The State Parks Board offers annual entrance passes as an option for customers who will be making multiple visits to the parks that it manages. Customers who wish to purchase annual passes have 2 options:

1. Standard Pass
2. Premium Pass

Standard passes are currently offered at a price of \$50 and are valid at State Parks during the day; however, Standard Passes cannot be used at Buckskin Mountain, Cattail Cove and Lake Havasu on Fridays, weekends and state holidays. Premium passes are priced at \$125, which allows for daytime use of State Parks without the restrictions of the Standard passes. All revenues collected from the sale of annual passes are deposited into SPEF, which provides funding for both the operating and capital expenses of State Parks.

In FY 2007, 6,870 persons purchased the Standard Pass and 2,639 purchased the Premium Pass. Of those that had a Standard Pass, the State Parks Board estimates that 93% (or 6,389) of those individuals were Arizona residents. Additionally, it is estimated that 60% (or 1,583) of those with Premium Passes were residents of the State.

If SPB reduces the resident prices of their annual passes from their current amounts, a residential Standard Pass will be \$40 and a Premium Pass will be \$100, a reduction of \$(10) and \$(25), respectively. SPEF will lose revenues totaling \$103,500, which includes \$63,900 (6,389 residents x \$10) in Standard Pass sales and \$39,600 (1,583 residents x \$25) in Premium Pass sales.

If SPB increases the non-residents prices of their annual passes from their current amounts, a residential Standard Pass will be \$60 and a Premium Pass will be \$150, an increase of \$10 and \$25, respectively. SPEF will increase revenues by \$32,000, which includes \$4,800 (481 non-residents x \$10) in Standard Pass sales and \$26,400 (1,056 non-residents x \$25) in Premium Pass sales.

Local Government Impact

None

2/22/08